GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

APIIC – Infrastructure & utilities - Permission to APIIC to take up the infrastructure works i.e. Bulk Water Supply, Power infrastructure and Road over Bridge in the Ananthapuramu Automobile Corridor for the Automobile Unit of M/s.KIA Motors India (P) Ltd., (KMIPL) from Rs.2,000 Crores borrowed by APIIC for Land Acquisition Purpose – Accorded - Orders - Issued.

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INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.MS.No. 8 Dated: 09-01-2018

Read the following:

1. G.O.Ms.No.56, Ind & Com (P&I) Dept, dt.26.04.2017.
2. G.O.Ms.No.83, Ind & Com (Infra) Dept, dt.06.06.2017.
3. G.O.Ms.No.125, Ind & Com (Infra) Dept, dt.14.09.2017.
4. From the VC & MD, APIIC Ltd., Vijayawada Single File No.CE-I/ELEC/KIAMOTORS/ANTP/2017-18 & Lr.dt.29.09.2017.
5. From the Dist Collector, Ananthapuramu Dist, D.O.Lr.No.AF/KIA Motors /TWS/2017, dt.07.10.2017.
6. G.O.Ms.No.148, Ind & Com (Infra) Dept, dt.01.11.2017.
7. From the Chief Engineer/Construction, APTRANSCO, Vidyut Soudha, Vijayawada Lr.No.CPT 150/SE/PM/KIA Motors/D.No.1973/2017, dt.24.11.2017.
8. From the VC&MD, APIIC Ltd., Vijayawada Lr.No.196510/2017/A1-INFRA-INDS, dt.09.12.2017.
9. From the VC&MD, APIIC Ltd., Vijayawada Lr.No.CE-I/APIIC/Elec/F-P/s. to KIA motors/ATP/2016-17, dt.29.12.2017.

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ORDER:

In the reference 1st read above, orders were issued extending various incentives and infrastructure support to M/s.KIA Motors Corporation (KMC) for establishment of a manufacturing unit at Erramanchi (V), Penukonda (M), Ananthapuramu District based on the recommendations of SIPB in its meeting held on 21.04.2017. Further, orders were issued granting Government guarantee on the request of APIIC for the principle amount of Rs.2,000 Crores and interest accrued thereon including moratorium period separately in favour of Bank of India, Canara Bank & Union Bank of India. The said orders were issued with the concurrence of Finance (PMU-Rev-I&C) Department vide G.O. 2nd read above.

2. In the reference 3rd read above, permission was accorded to APIIC to incur the amount for concession on land cost and for infrastructure facilities to a tune of Rs.450.29 Crores (includes the amount of Rs.28.83 Crores towards Seignorage charges) in respect of M/s.KIA Motors Corporation (KMC) and also to clear the backlog incentives from out of the Government guarantee amount of Rs.2,000 Crores.

(P.T.O.)

3. In the reference 5th read above, the District Collector, Ananthapuramu District has submitted detailed estimate approved by RWS&S Department for providing permanent water facility to KIA Motors Plant at Eramanchi (V), Penukonda (M), Ananthapuramu District by allocating 2.10 MLD (0.027) TMC from Gollapalli Reservoir.

4. In the reference 7th read above, the Chief Engineer/Construction, APTRANSCO, Vijayawada has submitted that as per the orders contained in G.O.Ms.No.56, Ind & Com (P&I) Dept, dt.26.04.2017 the GoAP has to provide permanent Electricity to KMC with a capacity of 70 MVA from 220 KV Double Circuit Transmission lines from two (2) feeder sources namely Boksampalli & Subbarayunipalli Sub-stations and the concerned line Department has to prepare the detailed estimates to seek approval from the competent authority as directed in the said G.O. Accordingly, their Department have prepared the tentative scheme cost of Rs.9,039.39 Lakhs and communicated the same vide Lr.dt.12.07.2017 for arrangement of payment and to proceed further whereas, the funds from GoAP are not yet received. Meanwhile the exact scope of works involved in the matter were arrived, based on which field estimate was prepared to a tune of Rs.59,99,10,000/- as discussed with the representative of KMC on 21.06.2017. Keeping in view the priority given by Government in the matter and in view of the urgency and as requested by the Dist Collector, Ananthapuramu District, Tenders were called for and works were awarded pending receipt of funds from GoAP. The Chief Engineer/Construction, APTRANSCO, Vijayawada has therefore requested the Government to arrange the funds of Rs.59,99,10,000/- in favour of Pay Officer/APTRANSCO, Vijayawada as per the detailed estimate enclosed for implementation of the Project as per the timeline fixed.

5. In the reference 8th read above, the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Vijayawada has submitted that the present demand of Water supply will now arrived to a total of 15 MLD in view of two more Industrial Parks being developed by APIIC in and around KMC Project site for KIA ancillaries and accruing huge land bank of 4,000 Acs for KMC & Industrial use, stating that Government have directed the APIIC to integrate the total demand of the Industries over the subject area in the Water supply scheme being taken up by RWS&S Dept and therefore requested the Government to allocate 15.00 MLD water from Gollapalli Reservoir for use of APIIC for Industrial purpose and to sanction 22.00 Crores for the work of providing permanent water facility to Industrial area at IP Eramanchi, Penukonda Assembly Constituency, Ananthapuramu District.

6. In the reference 9th read above, the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Vijayawada has stated that in G.O.Ms.No.125, Ind & Com (Infra) Dept, dt.14.09.2017 Government have issued orders to adjust the amount for concession on land cost as well as providing infrastructure to M/s.KMIPL for Rs.450.29 Crores, from the Govt guarantee loan of Rs.2,000 Crores, the breakup for the said amount was not given. But as per the break up indicated in G.O.Ms.No.56, the amount to be adjusted by APIIC is Rs.48.375 Crores only towards concession on land cost whereas, the amounts of Rs.63.03 Crores towards Power infrastructure and Rs.22.00 Crores towards Bulk Water supply & Rs.80.00 Crores towards RoB to be provided by APTRANSCO, RWS&S & R&B Departments respectively were not included in the works

assigned to APIIC. As such the Budget for said infrastructure works may have to be provided from the Government as contemplated by Government in G.O.Ms.No.56, as in the case of similar recommendation made by APIIC for the work of Temporary power supply to M/s.KMIPL estimated by APSPDCL.

7. Keeping in view of non allocation of regular Budget to the Departments concerned and in view of execution of KIA Project and the ancillary cluster which is already in progress, Government, after careful examination of the matter hereby permit the APIIC to take up the infrastructure works i.e. Bulk Water Supply (Rs.22.00 Crores), Power infrastructure (Rs.63.00 Crores) and Road over Bridge (Rs.80.00 Crores) in the Ananthapuramu Automobile Corridor for the Automobile Unit of M/s.KIA Motors India (P) Ltd., (KMIPL) from Rs.2,000 Crores borrowed by APIIC for Land Acquisition Purpose.

8. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Vijayawada shall take further necessary action in the matter accordingly and shall obtain and submit the detailed estimate of Road over Bridge from the R&B Department to Government for record purpose.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., H.No.12B, 59A-8-12B, Guru Nanak Colony Road, Teacher's Colony, Vijayawada-520 008.

Copy to:
The Commissioner of Industries, 1st Floor, Government Regional Printing Press Buildings, Mutyalampadu, Vijayawada – 520 011.
The District Collector, Ananthapuramu District.
The Chief Engineer/Construction, APTRANSCO, Vidyut Soudha, A.P., Vijayawada.
The P.S. to Principal Secretary to C.M. (GSP), A.P. Secretariat, Velagapudi.
The P.S.to Secretary to Government & CIP, Ind & Com Department.
SF/SC.

//FORWARDED : : BY ORDER//

SECTION OFFICER